



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**BRADLEY J. SCHLOZMAN**

---

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)

---

**APRIL 19, 2006**

**FOR IMMEDIATE RELEASE**

## **KC, LEE'S SUMMIT MEN SENTENCED IN \$6 MILLION MORTGAGE FRAUD SCHEME**

**KANSAS CITY, Mo.** – Bradley J. Schlozman, United States Attorney for the Western District of Missouri, announced that a Kansas City, Mo., man and a Lee's Summit, Mo., man were sentenced in federal court today for their roles in a scheme to defraud home buyers and mortgage lenders of more than \$6 million.

**Nathan J. Brinkle**, 30, of Kansas City, and **Jonathan T. Jennings**, 34, of Lee's Summit, were sentenced in separate appearances before U.S. District Judge Scott O. Wright this morning to three years of probation, including six months' house arrest. The court also ordered **Brinkle** and **Jennings** to pay approximately \$2.4 million in restitution, which was the amount of actual loss by the mortgage lenders.

On June 2, 2005, **Brinkle** and **Jennings**, along with co-defendant **Adam T. Kerr**, 35, of Kansas City, pleaded guilty to wire fraud and money laundering. A sentencing hearing for **Kerr** has not yet been scheduled.

**Brinkle** and **Jennings**, doing business as Brighter Homes East, Inc., and JB Renovations, both Kansas City businesses, purchased and rehabilitated distressed properties for resale to investors. **Kerr** was a mortgage broker doing business as Platinum Mortgage II and later Pearl Mortgage in Kansas City, and he assisted the investors in obtaining mortgage loans.

According to Schlozman, investors were advised that once they took possession of the properties, all of the rehab work would be completed and Section 8 tenants would be allowed to occupy the homes, thereby generating cash flow for the investors. These investments were represented as no-money-down investments. To accomplish this, Schlozman said, the appraised values were inflated and on some occasions loan applications were prepared to falsely show the source of the down payment was the investor.

All three of the co-defendants admitted that they prepared various loan applications and supporting documents for the purchasers, which contained material false and fraudulent representations and admissions, which they submitted to the lending institutions to insure that the loan applications would be approved. As a result of this scheme to defraud, Schlozman said, between May 23, 2001, and Aug. 30, 2002, the defendants made and submitted to lending institutions 94 false and fraudulent loan applications. The misrepresentations included: false installment payments information, falsified HUD-1 Settlement Statements, phony contracts for deeds, money provided at closing, and other pertinent information relied on by the lenders when making the loan.

As a result of the misrepresentations during this period, Schlozman said, various lenders made loans in an approximate total amount of \$6,388,150, which were funds sent by wire transfers and interstate commerce.

Additionally, on Oct. 19, 2001, **Brinkle**, **Jennings** and **Kerr** engaged in monetary transactions involving criminally derived property, through the deposits of checks payable to Platinum Mortgage II, drawn primarily on the accounts of Brighter Homes East, **Brinkle** and **Jennings**.

This case is being prosecuted by Assistant U.S. Attorney Linda Parker Marshall. It was investigated by the Mortgage Fraud Working Group, which includes the Federal Bureau of Investigation, the U.S. Department of Housing and Urban Development – Inspector General’s Office of Investigation and IRS – Criminal Investigation. Assistance was also provided by the Freddie Mac Western Regional Office.

\*\*\*\*\*

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)